

VZCZCXRO7985
OO RUEHROV
DE RUEHJM #0585 0871601
ZNR UUUUU ZZH
O 281601Z MAR 07 ZDK
FM AMCONSUL JERUSALEM
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7094
INFO RUEHKK/ARAB ISRAELI COLLECTIVE PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RUEHBS/USEU BRUSSELS PRIORITY

UNCLAS JERUSALEM 000585

SIPDIS

SENSITIVE
SIPDIS

NEA FOR FRONT OFFICE; NEA/IPA FOR
WILLIAMS/SHAMPAINE/STEINGER; NSC FOR ABRAMS/DORAN/WATERS;
TREASURY FOR SZUBIN/LOEFFLER/NUGENT/HIRSON

E.O. 12958: N/A
TAGS: [ECON](#) [EFIN](#) [PREL](#) [KWBG](#)
SUBJECT: [STRIKING GAZANS AGAIN CLOSE KARNI/AL-MINTAR](#)
CROSSING; APPEAL TO THE US FOR HELP

REF: JERUSALEM 529

¶1. (SBU) Palestinian truckers and merchants closed the Gaza side of Karni/al-Mintar crossing for several hours March 26 to protest continued restrictions on throughput at the crossing, particularly for exports. The strikers displayed banners calling on Secretary Rice to reactivate the AMA agreement and to "honor her commitment" to facilitate exports of Palestinian products from the Rafah crossing into Egypt. They also demanded the closure of the "monopoly coordination office", an end to "abusive practices" at commercial crossings and the opening of a commercial terminal at Erez crossing in northern Gaza. The crossing was closed by a similar strike March 11-12 (see reftel).

¶2. (SBU) Karni/al-Mintar has remained opened on most scheduled days of operation since November 2006, after a cease-fire agreement significantly reduced the number of Qassam rockets fired against Israel. While the flow of goods has increased in both directions, the level of Palestinian exports remains far below estimated demand. According to PalTrade, an average of about 50 truckloads per day have been exported in recent weeks, up from fewer than 30 a day for most of 2006. The World Bank estimates that a minimum of 150 truckloads of exports per day are needed to revitalize the Gaza economy.

¶3. (SBU) With agricultural production season just past its peak, recent exports from Gaza have been agricultural products, such as flowers, strawberries, and vegetables, purchased by Israel marketing companies for re-export to European and other foreign markets. Although the export flow is significantly improved over the same period last year, when the crossing was closed repeatedly and for extended periods, Gaza-based agribusinesses continue to complain that demand is not being met. According to PalTrade, the number of cut flowers allowed through the crossing between November 2006 and February 2007 constitutes 27 percent of production normally available for export. The amount of strawberries exported during the same period equaled about 63 percent.

¶4. (SBU) Comment: Palestinian frustrations with the corruption, restricted throughput, and a general lack of transparency at Karni/al-Mintar crossing will continue to fester until significant changes are made to crossing operations.

WALLES